

## **GENERAL LEDGER**

The “taking inventory” process begins in the **Bank Information** module of the RAVEN tool. RAVEN requires a reference point to confirm the completeness of the detail data captured electronically for loans and deposits and manually for non-loan assets. That reference point is the bank’s general ledger. The **General Ledger** module is located in the **Bank Information** module, and it captures the reference point in order to preserve the original inventory. Adjusting entries provide the means for the user to change an institution’s general ledger to a format consistent with the Division of Resolutions’ marketing objectives, and **Schedule 101**, the Information Package Balance Sheet. This adjusted reference point, which is the FDIC’s adjusted balance sheet for the bank, must balance to the detail information (subsidiary ledgers) contained in the **Raloan, Radepo, Ralibeq** and **Ranonl** databases throughout the project. Therefore, always keep in mind, if the changes are made to the detail that would affect the general ledger category in which an asset would be classified, an adjusting journal entry needs to be made in the **General Ledger** module. Also, all adjustments made to the FDIC’s “copy” of the bank’s general ledger must be traceable; therefore, make all adjustments to the General Ledger within RAVEN, thereby capturing the changes within the system.

The initial input of the General Ledger should balance to the bank’s general ledger. Any adjustments, changes or reclassifying of the bank’s accounts should occur after the initial input, utilizing adjusting entries. For example, Reserve for Loan Loss is generally listed as a contra- asset account on the bank’s general ledger and is reclassified to equity by FDIC Information Package personnel during the Resolution process. In RAVEN, enter the contra-account as an asset and make an adjusting entry to move the account to equity. Entering the contra-account directly into the equity section of the balance sheet would corrupt the “audit trail;” and the supporting information (adjusting journal entry reports) showing why the account was reclassified or where it came from will not be captured within RAVEN.

When initially inputting the bank’s general ledger into RAVEN, the user may find the level of detail on the bank’s general ledger is more than is necessary for a project (i.e., the bank’s general ledger individually lists each teller cash drawer instead of a subtotal for teller cash drawers). The Resolution Team Leader of the project can decide to input a summary total for various accounts instead of listing them individually. The level of input for the general ledger is completely up to the team in the field to determine.

In this demonstration the user will learn how to add, edit, and delete entries in the **General Ledger** module where the “reference point” is captured.

## ***DEMONSTRATION***

Students must make each entry in the General Ledger demonstration, exercises, and summary exercises before going to the next module in the Basic Resolution & RAVEN Training Manual.

The **Bank's G/L Description** is case sensitive (i.e., if the user types in upper case letters the information appears in upper case and the reports print in upper case).

### **A. Input Bank's General Ledger Asset Accounts**

1. **Bank Info / General Ledger / Input**
2. Select **Add**
3. Input (In the General Ledger Data Input window)
  - a) Bank's G/L Number: **"101000"** (Enter)
  - b) Bank's G/L Description: **"Cash"** (Enter)
  - c) Bank's G/L Balance: **"402,390.76"**
  - d) Account Type: **"Asset"**
  - e) FDIC's G/L Description: **"Cash and Due From"**
4. Select **Save**
5. Input
  - a) Bank's G/L Number: **"151000"** (Enter)
  - b) Bank's G/L Description: **"Real Estate Loans"** (Enter)
  - c) Bank's G/L Balance: **"48,830,470.71"**
  - d) Account Type: **"Asset"**
  - e) FDIC's G/L Description: **"Commercial Real Estate Loans"**
6. Select **Save**
7. Input
  - a) Bank's G/L Number: **"152000"** (Enter)
  - b) Bank's G/L Description: **"Commercial & Industrial Loans"** (Enter)
  - c) Bank's G/L Balance: **"6,651,434.74"**
  - d) Account Type: **"Asset"**
  - e) FDIC's G/L Description: **"Commercial and Industrial Loans"**
8. Select **Save**

## 9. Input

- a) Bank's G/L Number: **"153000"** (Enter)
- b) Bank's G/L Description: **"Consumer Loans"** (Enter)
- c) Bank's G/L Balance: **"6,447,788.44"**
- d) Account Type: **"Asset"**
- e) FDIC's G/L Description: **"Consumer Loans"**

10. Select **Save**

## 11. Input

- a) Bank's G/L Number: **"154000"** (Enter)
- b) Bank's G/L Description: **"Overdrafts"** (Enter)
- c) Bank's G/L Balance: **"39,970.98"**
- d) Account Type: **"Asset"**
- e) FDIC's G/L Description: **"Overdrafts"**

12. Select **Save**

## 13. Input

- a) Bank's G/L Number: **"155000"** (Enter)
- b) Bank's G/L Description: **"Single Family Residence"** (Enter)
- c) Bank's G/L Balance: **"0.00"**
- d) Account Type: **"Asset"**
- e) FDIC's G/L Description: **"Single Family Residential Loans"**

14. Select **Save**15. The **G/L STATUS** window should indicate:

<b>Assets:</b>	62,372,055.63
<b>Liabilities:</b>	0.00
<b>Equity:</b>	0.00
<b>Difference:</b>	62,372,055.63

**B. Input Bank's General Ledger Liabilities or Equity Accounts****1. Input**

- a) Bank's G/L Number: **"201000"** (Enter)
- b) Bank's G/L Description: **"Demand Deposits"** (Enter)
- c) Bank's G/L Balance: **"11,932,004.93"**
- d) Account Type: **"Liability"**
- e) FDIC's G/L Description: **"Demand Deposits"**

**2. Select Save****3. Input**

- a) Bank's G/L Number: **"201100"** (Enter)
- b) Bank's G/L Description: **"Savings Deposits"** (Enter)
- c) Bank's G/L Balance: **"54,421,996.01"**
- d) Account Type: **"Liability"**
- e) FDIC's G/L Description: **"Savings Deposits"**

**4. Select Save****5. Input**

- a) Bank's G/L Number: **"201200"** (Enter)
- b) Bank's G/L Description: **"Time Deposits"** (Enter)
- c) Bank's G/L Balance: **"28,799,864.93"**
- d) Account Type: **"Liability"**
- e) FDIC's G/L Description: **"Time Deposits"**

**6. Select Save****7. Input**

- a) Bank's G/L Number: **"221000"** (Enter)
- b) Bank's G/L Description: **"Other Liabilities"** (Enter)
- c) Bank's G/L Balance: **"1,000,000.00"**
- d) Account Type: **"Liability"**
- e) FDIC's G/L Description: **"Other Liabilities"**

**8. Select Save**



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9. Input

- a) Bank's G/L Number: **"302000"** (Enter)
- b) Bank's G/L Description: **"Undivided Profits"** (Enter)
- c) Bank's G/L Balance: **"-6,092,131.18"**
- d) Account Type: **"Equity"**
- e) FDIC's G/L Description: **"Equity Capital"**

10. Select **Save**

11. Select **Stop**

12. **G/L STATUS:**

<b>Assets:</b>	62,372,055.63
<b>Liabilities:</b>	96,153,865.87
<b>Equity:</b>	-6,092,131.18
<b>Difference:</b>	-27,689,679.06

### C. Edit General Ledger Accounts

During the course of inputting the General Ledger and balancing it back to the bank's original general ledger, errors can occur. To correct the input errors (i.e., wrong account numbers, descriptions or balances), edit the General Ledger account.

The account to be edited in this example is the **Savings Deposits** account. The correct balance is **45,421,996.01**.

The Search button allows the user to view, in list format, all the accounts by **Bank's G/L Number** and **Bank's G/L Description** that have been input. The user then selects the account to be viewed in the **General Ledger Data Input** window by clicking on the account.

The user may also utilize the **Next** and **Previous** buttons to search for an account.

1. Select *Savings* using the **Next**, **Previous** or **Search** button  
(Account information shows in the **General Ledger Data Input** window)
2. Select **Edit**
3. TAB to **Bank's G/L Balance** box - the box should be highlighted
4. Input: **Bank's G/L Balance: "45,421,996.01"**
5. Select **Save**
6. **G/L STATUS:**

<b>Assets:</b>	62,372,055.63
<b>Liabilities:</b>	87,153,865.87
<b>Equity:</b>	-6,092,131.18
<b>Difference:</b>	-18,689,679.06

**D. Delete General Ledger Accounts**

The user may determine that an account has been input in error and want to delete the account. This is also completed in the **General Ledger** module.

The account to be deleted is the Other Liabilities account.

1. Select *Other Liabilities* using the **Next**, **Previous** or **Search** button

(Account information shows in the **General Ledger Data Input** window)

2. Select **Delete**

3. Select **Yes** in the **Delete Confirmation** window indicating general ledger number 221000 will be deleted.

(RAVEN removes the account from the **Bank's General Ledger** window)

4. **G/L STATUS:**

<b>Assets:</b>	62,372,055.63
<b>Liabilities:</b>	86,153,865.87
<b>Equity:</b>	-6,092,131.18
<b>Difference:</b>	-17,689,679.06

5. Select **Exit**

## EXERCISE

### NOTE:

The keystrokes for these exercises are on the following pages. Please refer to them as needed.

Also, the descriptions listed below may not exactly match the description in the FDIC's General Ledger Categories picklist. The user will have to make some choices concerning the appropriate category in which to place accounts.

### HINT:

In this case, Loan Loss Reserve is first entered as a contra-asset account by entering it as a negative number in a related asset account (such as Commercial Real Estate Loans) and moved to equity via an adjusting journal entry in a later exercise.

Enter the following general ledger accounts:

<u>NUMBER</u>	<u>BANK DESCRIPTION</u>	<u>BALANCE</u>
140000	Raveness Subsidiary	2,000,000.00
141000	Agency Securities	6,403,385.65
159000	Loan Loss Res	(1,460,755.84)
161000	Bank Buildings	2,418,105.87
171000	OREO	17,655,897.20
232000	Taxes Payable	21,190.55
302500	Current Earnings	(285,951.10)
303500	Capital Surplus	(2,537,005.27)

### G/L STATUS:

<b>Assets:</b>	89,388,688.51
<b>Liabilities:</b>	86,175,056.42
<b>Equity:</b>	-8,915,087.55
<b>Difference:</b>	12,128,719.64





## ***TAKING INVENTORY: GENERAL LEDGER***

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Edit Agency Securities and change the amount to 4,203,385.65

### **G/L STATUS:**

<b>Assets:</b>	87,188,688.51
<b>Liabilities:</b>	86,175,056.42
<b>Equity:</b>	-8,915,087.55
<b>Difference:</b>	9,928,719.64



## ***TAKING INVENTORY: GENERAL LEDGER***

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Delete account 303500

### **G/L STATUS:**

<b>Assets:</b>	87,188,688.51
<b>Liabilities:</b>	86,175,056.42
<b>Equity:</b>	-6,378,082.28
<b>Difference:</b>	7,391,714.37

**EXERCISE ANSWER KEY (DO NOT RE-INPUT)****A. Input the General Ledger Asset Accounts**

1. **Bank Info / General Ledger / Input**
2. Select **Add**
3. Input
  - a) Bank's G/L Number: **"140000"** (Enter)
  - b) Bank's G/L Description: **"*Raveness Subsidiary*"** (Enter)
  - c) Bank's G/L Balance: **"2,000,000.00"**
  - d) Account Type: **"Asset"**
  - e) FDIC's G/L Description: **"*Investment in Subsidiaries*"**
4. Select **Save**
5. Input
  - a) Bank's G/L Number: **"141000"** (Enter)
  - b) Bank's G/L Description: **"*Agency Securities*"** (Enter)
  - c) Bank's G/L Balance: **"6,403,385.65"**
  - d) Account Type: **"Asset"**
  - e) FDIC's G/L Description: **"*U.S. Agencies*"**
6. Select **Save**
7. Input
  - a) Bank's G/L Number: **"159000"** (Enter)
  - b) Bank's G/L Description: **"*Loan Loss Res*"** (Enter)
  - c) Bank's G/L Balance: **"-1,460,755.84"**
  - d) Account Type: **"Asset"**
  - e) FDIC's G/L Description: **"*Commercial Real Estate Loans*"**
8. Select **Save**

9. Input

- a) Bank's G/L Number: **"161000"** (Enter)
- b) Bank's G/L Description: **"Bank Buildings"** (Enter)
- c) Bank's G/L Balance: **"2,418,105.87"**
- d) Account Type: **"Asset"**
- e) FDIC's G/L Description: **"Institution Building"**

10. Select **Save**

11. Input

- a) Bank's G/L Number: **"171000"** (Enter)
- b) Bank's G/L Description: **"OREO"** (Enter)
- c) Bank's G/L Balance: **"17,655,897.20"**
- d) Account Type: **"Asset"**
- e) FDIC's G/L Description: **"OREO"**

12. Select **Save**

B. Input the General Ledger Liabilities or Equity

1. Input

- a) Bank's G/L Number: **"232000"** (Enter)
- b) Bank's G/L Description: **"Taxes Payable"** (Enter)
- c) Bank's G/L Balance: **"21,190.55"**
- d) Account Type: **"Liability"**
- e) FDIC's G/L Description: **"Other Liabilities"**

2. Select **Save**

3. Input

- a) Bank's G/L Number: **"302500"** (Enter)
- b) Bank's G/L Description: **"Current Earnings"** (Enter)
- c) Bank's G/L Balance: **"-285,951.10"**
- d) Account Type: **"Equity"**
- e) FDIC's G/L Description: **"Equity Capital"**

4. Select **Save**



## TAKING INVENTORY: GENERAL LEDGER

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5. Input

- a) Bank's G/L Number: **"303500"** (Enter)
- b) Bank's G/L Description: **"Capital Surplus"** (Enter)
- c) Bank's G/L Balance: **"-2,537,005.27"**
- d) Account Type: **"Equity"**
- e) FDIC's G/L Description: **"Equity Capital"**

6. Select **Save**

7. Select **Stop**

8. **G/L STATUS:**

<b>Assets:</b>	89,388,688.51
<b>Liabilities:</b>	86,175,056.42
<b>Equity:</b>	-8,915,087.55
<b>Difference:</b>	12,128,719.64

9. Select **Exit**

C. Edit General Ledger Accounts

The account to be edited in this example is the Securities whose balance was transposed. The correct balance is 4,203,385.65.

1. Select *Agency Securities* using the **Next**, **Previous**, or **Search** button  
(Account information shows in the **General Ledger Data Input** window)
2. Select **Edit**
3. Arrow down to **Bank's G/L Balance** box
4. **Bank's G/L Balance: "4,203,385.65"**
5. Select **Save**
6. **G/L STATUS:**

<b>Assets:</b>	87,188,688.51
<b>Liabilities:</b>	86,175,056.42
<b>Equity:</b>	-8,915,087.55
<b>Difference:</b>	9,928,719.64

**D. Delete General Ledger Accounts**

The account to be deleted is Account Number 303500.

The keystrokes for deleting this account are as follows:

1. Select Account Number *303500* using the **Next**, **Previous**, or **Search** button  
(Account information shows in the **General Ledger Data Input** window)
2. Select **Delete**
3. Select **Yes** in the **DELETE CONFIRMATION** window indicating account number 303500 will be deleted

(The account will be removed from the **Bank's General Ledger** window)

**4. G/L STATUS:**

<b>Assets:</b>	87,188,688.51
<b>Liabilities:</b>	86,175,056.42
<b>Equity:</b>	-6,378,082.28
<b>Difference:</b>	7,391,714.37



## ***TAKING INVENTORY: GENERAL LEDGER***

### ***SUMMARY EXERCISE***

#### **INPUT**

<b><u>NUMBER</u></b>	<b><u>BANK DESCRIPTION</u></b>	<b><u>BALANCE</u></b>
111100	Cash	171,768.53
191000	Other Assets	3,172,825.71
142000	Fed Funds Sold	1,432,036.04
260000	Treasury, Tax & Loan Note Option	1,204,184.88
265000	Accrued Interest on Deposits	1,180,578.00
301500	Capital Surplus	8,763,915.00
301000	Capital Stock	1,019,666.77
301600	Capital Earnings	(5,478,365.22)





## ***TAKING INVENTORY: GENERAL LEDGER***

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EDIT Account 111100

Change the descriptions from **Cash** to **Time Due From**

DELETE Account 301600

### **G/L STATUS:**

<b>Assets:</b>	91,965,318.79
<b>Liabilities:</b>	88,559,819.30
<b>Equity:</b>	3,405,499.49
<b>Difference:</b>	0.00

***SUMMARY EXERCISE ANSWER KEY (DO NOT RE-INPUT)*****A. Input the General Ledger Asset Accounts**

1. **Bank Info / General Ledger / Input**
2. Select **Add**
3. Input
  - a) Bank's G/L Number: ***"111100"*** (Enter)
  - b) Bank's G/L Description: ***"Cash"*** (Enter)
  - c) Bank's G/L Balance: ***"171,768.53"***
  - d) Account Type: ***"Asset"***
  - e) FDIC's G/L Description: ***"Cash and Due From"***
4. Input
  - a) Bank's G/L Number: ***"191000"*** (Enter)
  - b) Bank's G/L Description: ***"Other Assets"*** (Enter)
  - c) Bank's G/L Balance: ***"3,172,825.71"***
  - d) Account Type: ***"Asset"***
  - e) FDIC's G/L Description: ***"Other Assets"***
5. Select **Save**
6. Input
  - a) Bank's G/L Number: ***"142000"*** (Enter)
  - b) Bank's G/L Description: ***"Fed Funds Sold"*** (Enter)
  - c) Bank's G/L Balance: ***"1,432,036.04"***
  - d) Account Type: ***"Asset"***
  - e) FDIC's G/L Description: ***"Fed Funds Sold"***
7. Select **Save**



B. Input the General Ledger Liability or Equity Accounts

1. Input

- a) Bank's G/L Number: **"260000"** (Enter)
- b) Bank's G/L Description: **"Treasury, Tax & Loan Note Option"** (Enter)
- c) Bank's G/L Balance: **"1,204,184.88"**
- d) Account Type: **"Liability"**
- e) FDIC's G/L Description: **"Other Secured Borrowings"**

2. Select **Save**

3. Input

- a) Bank's G/L Number: **"265000"** (Enter)
- b) Bank's G/L Description: **"Accrued Interest on Deposits"** (Enter)
- c) Bank's G/L Balance: **"1,180,578.00"**
- d) Account Type: **"Liability"**
- e) FDIC's G/L Description: **"Accrued Interest on Deposits"**

4. Select **Save**

5. Input

- a) Bank's G/L Number: **"301500"** (Enter)
- b) Bank's G/L Description: **"Capital Surplus"** (Enter)
- c) Bank's G/L Balance: **"8,763,915.00"**
- d) Account Type: **"Equity"**
- e) FDIC's G/L Description: **"Equity Capital"**

6. Select **Save**

7. Input

- a) Bank's G/L Number: **"301000"** (Enter)
- b) Bank's G/L Description: **"Capital Stock"** (Enter)
- c) Bank's G/L Balance: **"1,019,666.77"**
- d) Account Type: **"Equity"**
- e) FDIC's G/L Description: **"Equity Capital"**

8. Select **Save**



9. Input

- a) Bank's G/L Number: **"301600"** (Enter)
- b) Bank's G/L Description: **"Capital Earnings"** (Enter)
- c) Bank's G/L Balance: **"-5,478,365.22"**
- d) Account Type: **"Equity"**
- e) FDIC's G/L Description: **"Equity Capital"**

10. Select **Save**

11. **G/L STATUS:**

<b>Assets:</b>	91,965,318.79
<b>Liabilities:</b>	88,559,819.30
<b>Equity:</b>	-2,072,865.73
<b>Difference:</b>	5,478,365.22

C. Edit General Ledger Accounts

The account to be edited in this example is account number *111100* whose balance is 171,768.53. The correct description is **Time Due From**.

1. Select Account Number *111100* using the **Next**, **Previous** or **Search** button  
  
(Account information shows in the **General Ledger Data Input** window)
2. Select **Edit**
3. Tab to the **Bank's G/L Description**
4. Press **Delete** on the keyboard
5. ***"Time Due From"*** (Enter)
6. Click on Account Type: **Asset**
7. Click on **Time Due From**
8. Select **Save**

**D. Delete General Ledger Accounts**

The account to be deleted is Account Number 301600.

The keystrokes for deleting this account are as follows:

1. Select Account Number *301600* using the **Next**, **Previous**, or **Search** button  
  
(Account information shows in the **General Ledger Data Input** window)
2. Select **Delete**
3. Select **Yes** in the **DELETE CONFIRMATION** window indicating this general ledger number 301600 should be deleted

(The account will be removed from the **General Ledger Items List** window)

**G/L STATUS:**

<b>Assets:</b>	91,965,318.79
<b>Liabilities:</b>	88,559,819.30
<b>Equity:</b>	3,405,499.49
<b>Difference:</b>	0.00

4. Select **Exit**
5. Select **Main Menu**